

Participant shall be required by this Condition Four to establish a new funding medium for any Contract if any offer to do so has been declined by a vote of a majority of the Contract owners materially affected by the material irreconcilable conflict.

5. The Board's determination of the existence of an irreconcilable material conflict and its implications shall be made known promptly and in writing to all Participants.

6. Participants will provide pass-through voting privileges to all Contract owners so long as the Commission continues to interpret the 1940 Act as requiring pass-through voting privileges for Contract owners. Accordingly, the Participants, where applicable, will vote shares of the Fund held in their Accounts in a manner consistent with voting instructions timely received from Contract owners. Participants will be responsible for assuring that each of their Accounts that participates in the Fund calculates voting privileges in a manner consistent with other Participants. The obligation to calculate voting privileges in a manner consistent with all other Accounts will be a contractual obligation of all Participants under the agreements governing their participation in the Funds. Each Participant will vote shares for which it has not received timely voting instructions as well as shares it owns in the same proportion as it votes those shares for which it has received voting instructions.

7. All reports received by the Board of potential or existing conflicts, and all Board action with regard to: (a) determining the existence of a conflict; (b) notifying Participants of a conflict; and (c) determining whether any proposed action adequately remedies a conflict, will be properly recorded in the minutes of the appropriate Board or other appropriate records. Such minutes or other records shall be made available to the Commission upon request.

8. Each Fund will notify all Participants that separate account prospectus disclosure regarding potential risks of mixed and shared funding may be appropriate. Each Fund shall disclose in its prospectus that: (a) Shares of the Fund may be offered to insurance company separate accounts of both annuity and life insurance variable contracts, and to qualified plans;<sup>2</sup> (b) due to differences of tax treatment and other considerations, the interests of various contract owners participating in

the Funds and the interests of Plans investing in the Funds may conflict; and (c) the Board will monitor the Funds for any material conflicts and determine what action, if any, should be taken.

9. Each Fund will comply with all provisions of the 1940 Act requiring voting by shareholders (which, for these purposes, shall be the persons having a voting interest in the shares of the Funds), and, in particular, each Fund will either provide for annual meetings (except to the extent that the Commission may interpret Section 16 of the 1940 Act not to require such meetings) or comply with Section 16(c) of the 1940 Act, (although the Funds are not one of the trusts described in Section 16(c) of the 1940 Act) as well as with Section 16(a), and, if applicable, Section 16(b) of the 1940 Act. Further, each Fund will act in accordance with the Commission's interpretation of the requirements of Section 16(a) with respect to periodic elections of directors (or trustees) and with whatever rules the Commission may promulgate with respect thereto.

10. If and to the extent that Rules 6e-2 and 6e-3(T) are amended (or if Rule 6e-3 under the 1940 Act is adopted) to provide exemptive relief from any provision of the 1940 Act or the rules thereunder with respect to mixed and shared funding on terms and conditions materially different from any exemptions granted in the order requested by Applicants, then the Funds and/or the Participants, as appropriate, shall take such steps as may be necessary to comply with Rules 6e-2 and 6e-3(T), as amended, and Rule 6e-3, as adopted, to the extent such rules are applicable.

11. No less than annually, the Participants, and/or CIGNA, and/or its affiliates, shall submit to the Boards such reports, materials, or data as the Boards may reasonably request so that the Boards may carry out fully the obligations imposed upon them by the conditions contained in the application. Such reports, materials, and data shall be submitted more frequently if deemed appropriate by the Boards. The obligations of the Participants to provide these reports, materials, and data to the Boards, when the appropriate Board so reasonably requests, shall be a contractual obligation of all Participants under the agreements governing their participation in the Funds.

12. If a Plan becomes an owner of 10% or more of the assets of a Fund, such Plan will execute a fund participation agreement with the applicable Fund. A Plan will execute an investor's application containing an

knowledge of this condition upon such Plan's initial purchase of the shares of any Fund.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,  
*Deputy Secretary.*

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## **SMALL BUSINESS ADMINISTRATION**

### **Specialized Small Business Investment Company (SSBIC) Advisory Council Public Meeting**

The U.S. Small Business Administration, Investment Division (SSBIC) Advisory Council will hold a public meeting on Wednesday, December 13, 1995, at 9:00 a.m. The meeting will be held at the Law Office of Reid and Priest, 701 Pennsylvania Avenue, N.W., Eighth Floor, Washington Conference Room, Washington, D.C. This meeting was previously scheduled for Friday, November 17, 1995 but was cancelled due to the shutdown of the Federal government. The purpose of the meeting is to discuss matters as may be presented by Council members, staff of the U.S. Small Business Administration, or others present.

For further information, write or call Mr. Darryl K. Hairston, Deputy Associate Administrator for Investment, U.S. Small Business Administration, 409 Third Street, S.W., Suite 6300, Washington, D.C. 20416 (202) 205-6510.

Dated: December 5, 1995.

Art DeCoursey,

*Director, Office of Advisory Council.*

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## **DEPARTMENT OF STATE**

[Public Notice No. 2297]

### **Overseas Schools Advisory Council; Notice of Meeting**

The Overseas Schools Advisory Council, Department of State, will hold its Executive Committee Meeting on Thursday, January 18, 1996 at 9:30 a.m. in Conference Room 1205, Department of State Building, 2201 C Street, N.W., Washington, D.C. The meeting is open to the public.

The Overseas Schools Advisory Council works closely with the U.S. business community in improving those American-sponsored schools overseas which are assisted by the Department of

<sup>2</sup> Applicants represent that an amendment to the application will be filed during the notice period, and that such amendment will include the representation regarding disclosure of the sale of shares of the Funds to qualified plans.